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DISTRICT (AFP, WP).

MALAYSIA

14. MALAYSIAN ARMY SAYS IT HAS FOUND COMMUNIST GUERRILLA CAMP IN JUNGLES ONLY 10 MILES OUTSIDE IPOH. NEWS CORRESPONDENTS WERE GIVEN LOOK AT CAMP -- REPORTEDLY ONE OF LARGEST UNCOVERED RECENTLY -- IN WHAT GUIDES SAID WAS EFFORT TO EMPHASIZE GOVT. SUCCESSES AGAINST COMMUNISTS. DOCUMENTS SEIZED AT CAMP AND ELSEWHERE SHOWED GUERRILLAS WERE ORIENTED TOWARD CHINA, ACCORDING HOME AFFAIRS MINISTER GHAZALI (PHINQ).

Australia/LOS
10.0

LOS CONFERENCE

15. AP'S SPENCER DAVIS REPORTS FORECAST IN REPORT TO PACIFIC BASIN ECONOMIC COUNCIL THAT NATIONS BORDERING PACIFIC, INCLUDING US AND JAPAN, ARE LIKELY TO EXTEND THEIR CLAIMS TO TERRITORIAL JURISDICTION FROM 3 TO 12 MILES AT FORTHCOMING LAW OF THE SEA CONFERENCE. REPORT FOUND IT ALMOST CERTAIN THAT AUSTRALIA, CANADA, NZ AND US WILL SEEK TO EXPAND CONTROL OVER FISHERIES, RESOURCES OFF THEIR COASTS DURING CONFERENCE. JAPAN REPORTEDLY WILL OPPOSE EXPANSION OF ECONOMIC JURISDICTION BEYOND 12-MILE LIMIT. REPORT, SUBMITTED BY K.C. GALE, MANAGING DIRECTOR OF AUSTRALIAN COMPANY GOLLIN HOLDINGS, SAID AUSTRALIA WILL CLAIM EXCLUSIVE ECONOMIC JURISDICTION OVER SEAS AND SEABED OUT TO 200-MILE LIMIT FROM ITS COAST OR OUTER CONTINENTAL SHELF LIMIT, WHICHEVER IS GREATER, AND NZ LIKELY TO SUPPORT 200-MILE FIGURE. US BELIEVED PREPARED TO RECOGNIZE MAXIMUM LIMIT OF 12 NAUTICAL MILES, CONDITIONED ON AGREEMENT TO PERMIT FREE AND UNIMPEDED TRANSIT THROUGH STRAITS AND ARCHIPELAGOS

USED FOR INTERNATIONAL SHIPPING. ONE OF REASONS FOR US QUALIFICATION IS THAT SOME 116 STRAITS AROUND WORLD WILL FALL WITHIN TERRITORIAL SEAS IF TERRITORIAL LIMIT IS EXTENDED WORLDWIDE TO 12 MILES (WR).

COMMENT AND ANALYSIS

VIETNAM

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16. LAT'S MCARTHUR (MAY 13) IN SAIGON CITES "PRIVATE COMMUNICATION FROM DIPLOMATIC SOURCES IN HANOI" THAT VO NGUYEN GIAP, WHO DROPPED FROM PUBLIC VIEW ABOUT SIX MONTHS AGO, REAPPEARED IN HANOI AT ANNUAL CEREMONIES MARKING 20TH ANNIVERSARY OF FALL OF DIEN BIEN PHU. SOURCES SAY GIAP HAD BEEN UNDER MEDICAL TREATMENT IN USSR AND HAS NOT FULLY RECOVERED FROM SERIOUS ILLNESS. IT IS TRADITIONAL FOR GIAP TO GIVE MORALE-BUILDING MIL ASSESSMENT ON ANNIVERSARY. THERE ARE INDICATIONS THAT COMMUNIST LEADERSHIP WAS ANXIOUS TO INSURE GIAP'S PRESENCE THIS YEAR AS ANSWER TO SPECULATION THAT HE HAD BEEN SULKING AND IN DISFAVOR WITH OTHER POLITBURO MEMBERS. HE RETURNED FROM MOSCOW EARLY THIS MONTH, TRAVELLING UNDER ASSUMED NAME, AND SLIPPED BACK INTO HANOI WITHOUT FANFARE. SINCE HIS RETURN, THERE HAS BEEN NO EXPLANATION FOR HIS ABSENCE NOR ANY PUBLIC INDICATION THAT HIS INFLUENCE HAS WANED.

MCARTHUR SEES INDICATIONS THAT HANOI MIL POLICY WILL MORE THAN EVER BE DETERMINED BY COLLECTIVE LEADERSHIP, NOTING THAT TWO WEEKS BEFORE GIAP'S RETURN, POLITBURO REVEALED THAT ARMY CHIEF OF STAFF VAN TIEN DUNG HAD BEEN PROMOTED TO FULL FOUR-STAR GENERAL (A RANK PREVIOUSLY HELD BY GIAP ALONE) AND RAISED TO FULL MEMBERSHIP IN POLITBURO. IT IS NOW EVIDENT THAT DUNG -IDENTIFIED AS PROTEGE OF PARTY CHAIRMAN LE DUAN - HAS BEEN DIRECTING FORCE IN MIL AFFAIRS FOR PAST SEVEN MONTHS.

17. NY POST (MAY 14) REFERS TO VC BREAKING OFF CONFERENCES WITH SVN, EXPRESSING VIEW THAT INDEFINITE SUSPENSION OF CONFERENCES SEEMS LIKELY TO BE FOLLOWED BY EVEN MORE INTENSE WARFARE. SUPPORTS SENATE DECISION TO REFUSE RISE IN US MILITARY SUPPORT FOR SAIGON.

PHILIPPINES

PHILIPPINES

18. GLOBE'S CPOCKER SNOW (MAY 12) REPORTS FROM ZAMBOANGA THAT PHIL AUTHORITIES ALLEGE THEY HAVE PROOF THAT LIBYA'S KADDAFI AND SABAH'S DATU MUSTAPHA AIDED AND ABETTED MOSLEM REBELS WITH ARMS AND MONEY. AUTHORITIES TOLD NEWSMEN PROOF CANNOT BE REVEALED